

# TELECONFERENCING CUTS COSTS

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Teleconferencing (audio, data/web, and video) is a group of technologies users have been deploying for several years. However, there are still many firms that have yet to deploy these technologies and others that are wrestling with technology expansion. The benefits of conferencing: increased productivity and efficiency, improved communications, enhanced business opportunities, and reduction in travel expenses have been proven time and time again. But the cost of ownership is still not clearly understood until after an organization begins to install the technology.

The current state of the conferencing or collaborative communications market is both dynamic and confusing. Today's multimedia solutions include communications by telephone, local area networks (LAN), and the Internet. They also cover a range of interactivity levels from two-way collaborative working groups to one-way remote presentations to retrieval of data. Some products are stand-alone, while others are integrated into other products.

Given the recent economic climate and continued concern regarding terrorism, now is the time for organizations to look more closely at the value of teleconferencing and how it can cut costs.

*Audioconferencing* - Audioconferencing is voice communications between three or more people from multiple locations. Audioconferencing typically uses standard telephone lines. When more than one person is at a single location, speakerphones or special audioconferencing terminal equipment are often used. When three or more locations are involved, audio bridging equipment, either at the customer site or provided by a commercial conferencing service, is involved.

The most widely used form of conferencing is the audio conference. It is so easy to use and widely accepted that, in many cases, the audio conference is taken for granted and not given recognition as the most significant form of teleconferencing technology. Without audio, a videoconference is nothing but a silent picture.

Growth of audioconferencing usage has been driven by mergers & acquisitions, corporate downsizing, teams working together from a distance, the need to reduce response time, awareness of automated services, and more and less expensive services providers. By 2003, the conference call market will be a \$3.5B market.

Yet, many organizations have still not realized the benefits and low costs of audioconferencing. The number of people on a call is no longer limited. The audio quality for everyone on a call can now be the same, eliminating the need for one person to translate what another has said. People can participate in an audioconference from their home, office or cell phones anywhere in the world. Calls do not require operator involvement or reservations.

The average cost of a one hour conference call is \$20.00 or less. In many instances the price is nominal given that users utilize existing bridging services built into their organizations telephone systems and their regular telephone lines. Audioconferencing is too cost effective not to be used.

*Data/web conferencing* – Data/web conferencing is audioconferencing supplemented with graphics display. The graphics can include slides, computer images, documents, objects, still-frame video images, annotation on an electronic surface, and facsimile transmission. The data part of the conference may or may not use the same network as the voice traffic. A data conferencing configuration growing in popularity is a combination of audioconferencing via the standard voice phone network together with simultaneous data sharing over the Internet, better known as web conferencing.

Many organizations have begun to realize the ease-of-use and low cost of a web conference and are also aware that videoconferencing is not always a necessity. As a result, web conferencing is growing in popularity as a way to meet at a distance and share important documentation with everyone in the meeting at the same time.

Honeywell has used web-conferencing from Placeware to facilitate faster integration with GE and enable key groups to meet more frequently, thus accelerating project delivery. In a recent web conference, Honeywell brought together 13 global teams and 8 judges to collaborate on technical competition and saved \$103,200 in the process.

Providers of web conferencing services allow users to trial their technologies for free. Costs to deploy web conferencing for an enterprise range from \$40 per user per month to packages of 5 or 10 users per month for \$375 - \$750. Given that web conferencing is growing at the rate of 48% per year, it is definitely a technology that benefits from the “try it you’ll like it” situation. Web conferencing is easy to use, cost effective, and a very powerful meeting tool.

*Videoconferencing* – Videoconferencing is conferencing that employs voice and video communications, showing pictures of people and objects and allows you to hear and see them in real time. Cameras can be speaker activated or provide continuous presence. Videoconferencing systems are now available as room or group systems and at the desktop. Videoconferencing systems can even work on laptops and on one’s wrist.

The traditional view of videoconferencing included audio and video only, but in recent years it has become common to include data collaboration or file sharing during a videoconference.

Videoconferencing equipment costs have dropped drastically. Desktop systems can be purchased for under \$500 and group systems range in price from \$3,500 to \$25,000 for full featured systems.

A large pharmaceutical company, based in New Jersey, paid for its videoconferencing system between New Jersey and Puerto Rico in 67 days, as a result of reduced travel costs. An added benefit became the fact that all people involved in a drug development process were able to meet more regularly and get product to market more quickly. In one instance, it was documented that a drug made it to market three months sooner than before saving millions of dollars.

For years, a large manufacturer refused to talk about their success with videoconferencing because they found they were able to get products on store shelves more quickly than their competitors by using videoconferencing during the product development process.

Many users are currently wrestling with videoconferencing networking costs. The majority of videoconferencing users today hold videoconferences over ISDN (Integrated Services Digital Network). Many organizations are beginning to deploy IP (Internet Protocol) for video due to its increased reliability and perceived lower costs. Don't be fooled, at this point in time, IP conferencing solutions are often expensive (bandwidth hogs) operating on a virtual private IP network or conducted over the WEB with no quality of service (QOS). IP isn't completely prime time as yet, and is in the third year of a ten year growth cycle.

## **Applications and Benefits**

Teleconferencing technologies are used across many markets and applications. Today many companies are realizing that a real competitive advantage can be attained by including corporate communications, training, distance learning, and information delivery in the same concept.

Generic applications of teleconferencing are too numerous to mention. Any place in any organization where meetings take place – finance, manufacturing, product development, marketing, sales, human resources, engineering, training, -- is an appropriate location to use teleconferencing technologies to connect dispersed staff without travel, to bring in a remote expert for consultation or staff training, to interview job candidates or witnesses, to make a presentation to a vendor or customer, to view data and presentations on a delayed time basis, and to receive messages at any time or place.

The use of teleconferencing has the potential of increasing productivity and efficiency by reducing unproductive travel time, preventing meeting delays, creating shorter and more structured meetings, allowing for greater reach of a message, since individuals can obtain information when it is convenient for them, and faster exchange of information. Teleconferencing also allows for an increased number of participants. It is difficult to get information to everyone at the same time. With teleconferencing, all individuals who need data can get the data when it is easiest for them. Additionally, people who would never have obtained information in the past, can now easily do so.

## **Effective Deployment**

For many people, using teleconferencing is still a new way to conduct business. It is unrealistic to assume that once a system is installed users will immediately flock to use it.

One way of looking at teleconferencing is to equate it to a personal computer (PC). When PCs first entered the marketplace no one was expected to immediately sit down and use them to solve all business problems. Instead, most users found a learning curve associated with the hardware and with each software package. The same holds true for teleconferencing. Users look at a technology that will improve productivity, increase the use of subject matter experts, and allow meetings to be held when needed. These are all factors that are difficult to quantify and place a dollar value on. Yet many users are

discovering that teleconferencing is a business advantage.

How is a successful teleconferencing system implemented? The answer is by concentrating on the human factors as well as the hardware. Let the business needs drive the technology, not the reverse.

There are seven important steps to successful teleconferencing:

- needs assessment
- system design
- system management
- internal promotions
- user training
- usage tracking, and
- system expansion.

## **Needs Assessment**

A thorough needs assessment assures that once the system is installed, it will be used effectively because it is designed to meet the requirements of the organization. A needs assessment also provides input into long-range plans for eventual system expansion. Today, many organizations are revisiting their use of teleconferencing and are conducting audits and benchmarking studies to ensure successful ongoing deployment and usage of teleconferencing technologies.

## **System Design**

The system design is based on information obtained during the needs assessment phase. Specific equipment is selected to support the identified needs, and facilities are selected, designed, and constructed.

## **System Management**

Once the appropriate system is designed it is important to consider how it will be managed. Will users call one central number for reserving the facilities? Will someone be responsible for each site and available at any time to provide assistance to users? System management deals with all aspects associated with reservations and room operations.

## **Internal Promotions**

An often overlooked problem is how to be sure the system will be used once it is installed. The answer is an active, ongoing promotions campaign. If users are not made aware that a teleconferencing system exists, and how it can be used effectively, there will be little usage. Users need to be told how and why they can benefit from teleconferencing, and the promotion effort must be ongoing.

## **User Training**

Most vendors provide technical, maintenance training and general user training to help users understand how to operate the system. Unfortunately, one important aspect of training is frequently overlooked -- application training. Organizations are repeatedly finding that usage of a teleconferencing system often drops once the initial newness has worn off. Many teleconferencing systems have been installed with one particular application in mind and no forethought given to future uses of the system. Developing potential applications, along with conducting a needs assessment, will help users prepare for ongoing system use.

## **Usage Tracking**

A usage tracking system will provide valuable information for evaluating the effectiveness of a teleconferencing system and for monitoring room and equipment use. This system also will monitor system utilization over a period of time, help to determine system strengths and weaknesses, and gauge user satisfaction. Information gathered by a usage tracking system will also provide the data to develop justification for the current system and for future expansion.

## **System Expansion**

Based on the success of the initial system, expansion of the system will need to be addressed. The development of a guideline for system expansion is undertaken in this phase.

## **Conclusion**

The teleconferencing market is real and, although some people are concerned that the growth has not happened as quickly as they would have liked or was projected, it is a technology with proven applications and cost benefits.

The future for teleconferencing is bright. Connectivity issues are being addressed, standards are in place, and vendors are quickly building products. In time, as has happened with the fax machine, people will wonder how they lived without audio, data/web and video conferencing. Given our current economic and social climate it is time to better utilize these technologies within your organization. They have proven to save time and money.

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